

QUESTIONNAIRE FOR FILING PROPOSED RULES WITH
THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Department of Education
DIVISION Public School Finance
DIVISION DIRECTOR Patricia Martin
CONTACT PERSON Patricia Martin
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INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire & financial impact statement attached to the front of two (2) copies of your proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

- 1. What is the short title of this rule? **Rules Governing the Distribution of State Foundation Aid and Student Special Needs Funding for Fiscal Year 2005.**
- 2. What is the subject of the proposed rule? **How the Arkansas Department of Education (Department) will distribute state funds to provide each child an opportunity for an adequate education.**
- 3. Is this rule required to comply with federal statute or regulations? Yes _____ No X _____
If yes, please provide the federal regulation and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedures Act?
Yes _____ No X _____
If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes _____ No X _____

5. Is this a new rule? Yes **X** No _____ If yes, please provide a brief summary explaining the regulation. Rules to establish how the Arkansas Department of Education will distribute state funds in the Public School Fund.

Does this repeal an existing rule? Yes _____ No **X** If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes _____ No **X** If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. **NOTE: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law grants the authority for this proposed rule. If codified, please give Arkansas Code citation. **Ark. Code Ann. §6-20-2004, and Act 59 of the Second Extraordinary Session of 2003.**
7. What is the purpose of this proposed rule? Why is it necessary? **The purpose of this rule is to establish how the Arkansas Department of Education will distribute state funds in the Public School Fund.**
8. Will a public hearing be held on this proposed rule? Yes **X** No _____
If yes, please complete the following:

Date: **May 12, 2004**

Time: **1 PM to 4 PM**

Place: **ADE Auditorium – Little Rock, AR 72201**

9. When does the public comment period expire for permanent promulgation? (Must provide a date.)
May 13, 2004
10. What is the proposed effective date of this proposed rule? (Must provide a date.)
July 1, 2004
11. Do you expect this rule to be controversial? Yes _____ No **X**
If yes, please explain.

12. Please give the names of persons, groups, or organizations that you expect to comment on these rules. Please provide their position (for or against) if known.
- Arkansas Association of Educational Administrators
 - Arkansas School Boards Association
 - Arkansas Association of School Business Officials
 - Arkansas Education Association
 - Arkansas Education Service Cooperatives

SUMMARY

The purpose of this rule is to establish how the Arkansas Department of Education will distribute state funds in the Public School Fund. Act 59 of the Second Extraordinary Session of 2003 created several new categories of state aid to school districts. These include state foundation aid, student special needs funding (Funding for children eligible for National School Lunch Act meals, children that are Less Than English Proficient, children participating in an Alternative Learning Environment) and for professional development.

FINANCIAL IMPACT STATEMENT

DEPARTMENT Education
DIVISION Public School Finance
PERSON COMPLETING THIS STATEMENT Patricia Martin
TELEPHONE NO. 682-5124 FAX NO. 682-9035
EMAIL pmartin@arkedu.k12.ar.us

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rules ogverning the Distribution of State Foundation Aid and Student Special Needs Funding for Fiscal Year 2005

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No x _____
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation and explain how they are affected. **There is no cost associated with this Rule. It is creating the mechanism to distribute money to school districts.**

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

5. What is the total estimated cost by fiscal year to the agency to implement this regulation? **There is no cost associated with this Rule. It is creating the mechanism to distribute money to school districts.**

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

DEPARTMENT OF EDUCATION
FISCAL IMPACT STATEMENT OF PROPOSED REGULATION
(In compliance with Acts 884 and 1253 of 1995)

Regulation Title: **Rules Governing the Distribution of State Foundation Aid and Student Special Needs Funding for Fiscal Year 2005**

Summary Description of Regulatory Proposal: **The purpose of this rule is to establish how the Arkansas Department of Education will distribute state funds in the Public School Fund. Act 59 of the Second Extraordinary Session of 2003 created several new categories of state aid to school districts. These include state foundation aid, student special needs funding (Funding for children eligible for National School Lunch Act meals, children that are Less Than English Proficient, children participating in an Alternative Learning Environment) and for professional development.**

Cite Statutory Authority for this Regulatory Proposal: **Ark. Code Ann. §6-20-2004, and Act 59 of the Second Extraordinary Session of 2003.**

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring)

Current staff, equipment, and office space will be used to implement this Rule.

- A. Resources Required - Personnel, equipment, office space.
- B. Time Required for Implementation.
- C. Procedural Changes.
- D. Other.

- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring)

- A. Resources Required - Personnel, equipment, office space.
- B. Time Required for Implementation.
- C. Procedural Changes.
- D. Other.

- III. Additional Comments.

Prepared by: (Name) Patricia Martin
(Title) Assistant Director
(Date) April 8, 2004

Arkansas Department of Education
Proposed Rules Governing the Distribution
of State Foundation Aid and Student Special Needs Funding
for Fiscal Year 2005

1.00 Authority

- 1.01 The Arkansas State Board of Education’s authority for promulgating these rules is pursuant to Ark. Code Ann. §6-20-2004, §6-11-105, and Act 59 of the Second Extraordinary Session of 2003.
- 1.02 These rules shall be known as the Arkansas Department of Education Rules Governing the Distribution of State Foundation Aid and Student Special Needs Funding for Fiscal Year 2005.

2.00 Purpose

- 2.01 The purpose of these rules is to establish how the Arkansas Department of Education (Department) will distribute state funds to provide each child an opportunity for an adequate education.

3.00 Definitions–For purposes of these rules, the following terms mean:

- 3.01 “Alternative Learning Environment (ALE)”-a student intervention program in compliance with Ark. Code Ann. §§ 6-18-508 and 6-18-509 that seeks to eliminate traditional barriers to student learning.
- 3.02 “Average Daily Membership (ADM)”-the total number of days of school attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth.
- 3.02.1 In those instances in which the ADM for less than three (3) quarters is specified, the number of days used in the calculation shall be the days in the specified period of time.
- 3.02.2 As applied to this subchapter, students who may be counted for ADM are:
- 3.02.2.1 Students who reside within the boundaries of the school district and who are enrolled in a public school operated by the school district or a private school for special education students, with their attendance resulting from a written tuition agreement approved by the Department;

- 3.02.2.2 Legally transferred students living outside the school district but attending a public school in the school district; and
 - 3.02.2.3 Students who are eligible to attend and reside within the boundaries of a school district and who are enrolled in the Arkansas National Guard Youth Challenge Program, so long as the students are participants in the program.
- 3.03 “Classroom Teacher”—an individual who is required to hold a teaching license from the Department and who is engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time; a guidance counselor; or a librarian.
- 3.04 “Charter Schools”—a public school with a charter approved by the State Board of Education.
- 3.05 “Department Financial Accounting Handbook” (Handbook)—the Department’s financial coding and chart of accounts.
- 3.06 “English Language Learners”—students identified by the State Board of Education (State Board) as not proficient in the English language based upon approved annually administered English proficiency assessment instruments which measure oral, reading, and writing proficiency.
- 3.07 “Foundation Funding”—an amount of money specified by the General Assembly for each school year to be expended by school districts for the provision of an adequate education for each student.
- 3.08 “Identified Alternative Learning Students FTE”—the number of hours taught in an eligible Alternative Learning Program (ALE Program) each day divided by the number of hours in the school day at the school where the Program is located, times the number of days a student attends the ALE Program divided by the number of student days required in the Standards of Accreditation.
- 3.09 “Millage Rate”—the millage rate listed in the most recent tax ordinance approved by the county quorum court under the authority of § 14-14-904.
- 3.10 “Miscellaneous Funds”—those average funds collected in the previous five (5) school years or previous school year, whichever is less, from funds received by a school district from federal forest

reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, funds received by the school district in lieu of taxes, and local sales and use taxes dedicated to education pursuant to §§ 26-74-201 et seq., 26-74-301 et seq., 26-75-301 et seq., and 14-164-301 et seq..

- 3.11 “NSLA Program”-National School Lunch Act’s free and/or reduced priced meals program.
- 3.12 “National School Lunch Students”-those students from low socio-economic backgrounds as indicated by eligibility for free or reduced-priced meals under the National School Lunch Act as reported on October 1, of each year, submitted to the department by the district, and verified by the Department.
- 3.13 “Previous Year”-the school year immediately preceding the school year in which funds are allocated.
- 3.14 “Professional Development”-a coordinated set of planned learning activities for teachers and administrators that are standards-based.

 - 3.14.1 Professional development shall result in individual, school-wide, and system-wide improvement designed to ensure that all students demonstrate proficiency in the state academic standards.
- 3.15 “School District”-a geographic area with an elected board of directors that qualifies as a taxing unit for purposes of ad valorem property taxes under § 26-1-101 et seq. and which board conducts the daily affairs of public schools pursuant to the supervisory authority vested in it by the General Assembly and Title 6 of the Arkansas Code.
- 3.16 “School Year”–the fiscal year beginning July 1 of one calendar year and ending June 30 of the next calendar year.
- 3.17 "Secondary Vocational Area Center"-a public secondary vocational institution organized for the specific purpose of educating high school students in specific occupational or vocational areas and serving students from more than one (1) participating school district.
- 3.18 "State Foundation Funding Aid"-the amount of state financial aid provided to each school district and computed as the difference between the foundation funding amount established by the General Assembly and the sum of ninety-eight percent (98%) of the uniform

rate of tax times the property assessment of the school district plus seventy-five percent (75%) of miscellaneous funds of the school district.

- 3.19 “Technology”-any equipment for instructional purposes that is electronic in nature, including, but not limited to, computer hardware, computer software, internet connectivity, and distance learning.
- 3.20 “Uniform rate of tax”-a uniform rate of ad valorem property tax of twenty-five (25) mills to be levied on the assessed value of all taxable real, personal, and utility property in the state to be used solely for the maintenance and operation of the schools as required by Amendment 74 of the Arkansas Constitution.

4.00 State Foundation Funding Aid

- 4.01 For the 2004-2005 fiscal year, the foundation funding amount shall be five thousand four hundred dollars (\$5,400) times the district’s ADM of the previous school year.
- 4.02 Each district shall receive state foundation aid computed as the difference between the foundation funding amount and the sum of ninety eight percent (98%) of the uniform rate of tax times the property assessment of the school district plus seventy-five (75%) of the miscellaneous funds of the school district.
- 4.02.1 The calculation shall use a uniform rate of tax 25 mills, regardless of legal challenges or the voted local millage rate.
- 4.03 Foundation funding shall be distributed in equal installments, at the end of each month, in the months of August through June.
- 4.04 Foundation funding is non-restricted state aid.
- 4.05 Open Enrollment Charter Schools shall be funded in compliance with Ark. Code Ann. §6-23-501.
- 4.06 Districts shall account for foundation funding in compliance with the Department Financial Accounting Handbook.
- 4.06.1 Failure to comply with the Department Financial Accounting Handbook reporting of ALE funding and expenditures shall be reviewed under Ark. Code Ann. §6-20-2202.

5.00 Special Needs Funding-Alternative Learning Environment (ALE) Funding Aid

- 5.01 For the 2004-2005 fiscal year, the ALE funding amount shall be three thousand two hundred fifty dollars (\$3,250) times the district's identified ALE students FTE in the previous school year as defined in rule 3.08.
- 5.01.1 The number of identified ALE students shall be a total of all students participating in a qualified ALE Program through April 15 of that year.
- 5.01.2 ALE students shall be counted as one and only one student for ALE funding purposes.
- 5.02 Charter Schools meeting the ALE criteria for identified ALE students are eligible to receive ALE funding.
- 5.03 ALE funding purposes shall be expended for the following eligible activities:
- 5.03.1 A currently licensed teacher must supervise the ALE students. If credit is granted, the teacher must be certified in the respective area.
- 5.03.2 In grades K-6, the ALE must have no more than ten (10) to one (1) student/teacher ratio. If a paraprofessional is employed in addition to a licensed supervisor, the student/teacher ratio shall be no more than twelve (12) to one (1).
- 5.03.3 In grades 7-12, the ALE must have no more than fifteen (15) to one (1) student/teacher ratio. If a paraprofessional is employed in addition to a licensed supervisor, the student/teacher ratio shall be no more than eighteen (18) to one (1).
- 5.03.4 A paraprofessional must meet the highly qualified requirements as defined by "No Child Left Behind" legislation.
- 5.03.5 Each alternative learning student must be provided access to the service of a school counselor or a mental health professional, a nurse, and support services provided to other students.
- 5.03.6 The ALE program should be coordinated with state and federal student assistance programs.
- 5.04 The Department shall as part of the Comprehensive Monitoring Review randomly monitor school districts to ensure that ALEs have been established, are conducive to learning, and are providing intervention services designed to address individual needs of students. Each school district shall evaluate the ALE program at least once every two (2) years.

- 5.05 The evaluation of the ALE program shall focus upon the impact of the program on students performance and results using indicators such as: academic gains; reduction in dropout rates; reduction in incidences requiring disciplinary action; improvement in attendance rates; rates of successful program completion and return to the regular school programs; rates of successful completion of vocational training programs; rates of successful completion of high school graduation or attainment of a GED; and rates of successful job placement and job retention.
- 5.06 ALE programs shall incorporate the following design elements:
- 5.06.1 Each district shall submit a description of the ALE on a form developed by the Department. This description shall be included in the districts' comprehensive (ACSIP) School Improvement plan.
- 5.06.2 An Alternative Education Placement Team will determine student placement in the ALE. This team should include the school counselor, the ALE program director or principal, a parent or legal guardian and a regular classroom teacher.
- 5.06.3 Qualifying students under this section shall exhibit two (2) or more of the characteristics listed in 5.07.3.1 and 5.07.3.2. Students will not be placed in the ALE program based on academic problems alone.
- 5.06.3.1 Students placed at risk, though intelligent and capable, typically manifest one or more of the following characteristics:
- Disruptive behavior
 - Drop out from school
 - Personal or family problems or situations
 - Recurring absenteeism
 - Transition to or from residential programs
- 5.06.3.2 Personal and family problems or situations are conditions that negatively affect the student's academic and social progress. These may include, but are not limited to:
- Abuse: physical, mental, sexual
 - Frequent relocation of residency
 - Homelessness
 - Inadequate emotional support
 - Mental/physical health problems
 - Pregnancy
 - Single parenting
- 5.07.4 Documentation of the presence of these characteristics must be kept on file.
- 5.07.5 The ALE shall not be primarily punitive but should provide the guidance, counseling, and academic support to enable

students who are experiencing emotional, social or academic problems to continue to make progress toward educational goals either in the traditional educational system or the GED Program.

5.07.6 Computer programs when used in the ALE setting should supplement teacher instruction.

5.07.7 The parent or guardian, teacher or ALE Director, and student will develop a joint agreement. This joint agreement will outline the responsibilities of the school, parent, and the student to provide assurance that the plan for each student is successful.

5.07.8 Provide a curriculum including mathematics, science, social studies, and language arts correlated with the regular classroom instruction or with the standards for the tests of the GED.

5.07.9 Each district will develop exit criteria on which to base a student's return to the regular program.

5.07.10 The staff of the ALE will be required to meet the same staff development requirements as other certified staff.

5.07 LE funding shall be distributed to Secondary Vocational Area centers in compliance with Rules promulgated by the State Board of Workforce Education and Career Opportunities.

5.08 ALE funding shall be distributed quarterly.

5.09 ALE funding is restricted state aid.

5.09.1 ALE funding shall be spent on eligible activities identified in Section 5.04 or in compliance with Section 9.0 of this Rule.

5.10 ALE funding may be carried over, but shall remain restricted to priority areas as defined in Section 5.03.

5.11 Districts shall account for ALE funding and the expenditure of all ALE funds in compliance with the Department Financial Accounting Handbook.

5.11.1 Failure to comply with the Department Financial Accounting Handbook reporting of ALE funding and expenditures shall be reviewed under Ark. Code Ann. §6-20-2202.

6.00 Special Needs Funding-English Language Learners (ELL) Funding Aid

6.01 For the 2004-2005 fiscal year, the ELL funding amount shall be one hundred ninety-five dollars (\$195) times the district's identified English language learners in the previous school year as defined by rules promulgated by the State Board of Education.

- 6.01.1 The number of identified ELL students shall be a total of all students participating in a qualified ELL Program through April 15 of that year.
- 6.01.2 ELL students shall be counted as one and only one student.
- 6.02 All Charter Schools meeting the ELL criteria for identified ELL students are eligible to receive ELL funding.
- 6.03 Districts shall provide documentation of each student's eligibility to be identified as an ELL student by June 30 of the year of the student's participation.
- 6.04 State-approved English proficiency assessment instruments include:
 - 6.04.1 LAS (Language Assessment Scales)
 - 6.04.2 IDEA (IPT-Idea Proficiency Test)
 - 6.04.3 Woodcock-Munoz
 - 6.04.4 Maculaitis Assessment of Competencies
 - 6.04.5 Language Assessment Battery
- 6.05 ELL funding shall be expended for the following eligible activities:
 - 6.05.1 Salaries for ELL-skilled instructional services (not supplanting district financial obligations for providing teachers for ELL students).
 - 6.05.2 Funds for teacher training, consultants, workshops, ELL course work.
 - 6.05.3 Released-time for planning program selection, ELL program development.
 - 6.05.4 Selection and purchase of language-appropriate instructional and supplemental (enrichment) materials for ELL students (including computer-assisted technology and library materials).
 - 6.05.5 Counseling services, community liaison staff with language and cultural skills appropriate to the ELL population.
 - 6.05.6 Assessment activities, which address identification, placement, and review of ELL student academic progress, as well as evaluation activities to determine the effectiveness of the district's ELL program.
- 6.06 The Department of Education may set aside a portion of the ELL funds each fiscal year for providing training for ELL teachers, ADE personnel, and other staff supporting district ELL programs.
 - 6.06.1 This set aside shall be used for the training of teachers and staff who work with ELL students; lodging, food and

materials for participants in ELL training seminars;
consultants; and other materials.

6.07 ELL funding shall be distributed quarterly.

6.08 ELL funding may be carried over, but shall remain restricted to
priority areas as defined in Section 6.05.

6.09 Districts shall account for ELL funding and the expenditure of all
ELL funds in compliance with the Department Financial Accounting
Handbook.

6.09.1 Failure to comply with the Department Financial Accounting
Handbook reporting of ELL funding and expenditures shall
be reviewed under Ark. Code Ann. §6-20-2202.

**7.00 Special Needs Funding-National School Lunch Student (NSLA)
Funding Aid**

7.01 For the 2004-2005 fiscal year, the NSLA funding amount shall be
determined by the district's total students identified as eligible to
participate in the NSLA Program divided by the district's total
enrolled students.

7.01.1 Districts with ninety percent (90%) or greater of the enrolled
students eligible for the NSLA Program shall receive one
thousand four hundred forty dollars (\$1,440) for each student
eligible for the NSLA Program.

7.01.2 Districts with less than ninety percent (90%) and at least
seventy percent (70%) of the enrolled students eligible for
the NSLA Program shall receive nine hundred sixty dollars
(\$960) for each student eligible for the NSLA Program.

7.01.3 Districts with less than seventy percent (70%) of the
enrolled students eligible for the NSLA Program shall receive
four hundred eighty dollars (\$480) for each student eligible
for the NSLA Program.

7.01.4 Districts identified and approved as qualifying for a NSLA
Provision II Waiver shall be funded in the base year based
upon the actual percentage of verified free and reduced
students in the district. Beginning in year two, the Provision
II district shall be funded under 7.01.1.

7.02 All Charter Schools meeting the NSLA criteria for identified NSLA
students are eligible to receive NSLA funding.

7.03 The funding percentage shall be determined from the Arkansas
Public School Computer Network's Cycle 2 report for the current
school year.

7.03.1 The Child Nutrition Unit of the Department shall verify the Cycle 2 report for accuracy.

7.03.2 Adjustments to the Cycle 2 report shall be made by the Department based on documentation from the school district.

7.04 NSLA funding shall be expended for approved programs and purposes which include, but are not limited to:

7.04.1 Employing Literacy and/or Mathematics and/or Science Specialists/Coaches (K-12):

The Specialists/Coaches are educators who assist in curriculum alignment with state curriculum documents; alignment of classroom assessment with statewide exams; instructional strategies; professional development and implementation of training; choosing standards-based instructional materials; understanding of current research; advantageous arrangement of the instructional day; and integrating technology into instruction.

Qualifications for Specialists/Coaches (K-12):

- at least three years of recent teaching experience in appropriate content areas within grades Kindergarten through Twelve;
- knowledge of Arkansas Curriculum Framework;
- knowledge of current research and effective practices in standards-based curriculum, instruction, and assessment;
- experience in adult learning situations and in team problem solving;
- a bachelor's degree (a master's degree would be preferred).

7.04.2 Providing research based professional development in the areas of Literacy and/or Mathematics and/or Science (K-12) as defined in the Arkansas Department of Education Regulations Governing Attendance at Certified Instructional Professional Development Sessions (Ark. Code Ann. 6-17-702, as amended by Act 663 of 1995).

7.04.3 Employing highly qualified classroom teachers (K-12).

7.04.4 Providing research-based before and after-school academic programs, including transportation to and from the programs.

7.04.5 Providing research-based pre-kindergarten programs coordinated by the Division of Childcare and Early Childhood Education, Department of Human Services.

7.04.6 Employing Tutors:

- Tutors must be able to demonstrate competency (as determined locally) in each area where instruction is provided.

- Tutors must work under the supervision of highly qualified teachers.

7.04.7 Employing Teacher's aides:

- Teacher's aides must be highly qualified
- Teacher's aides must work under the direct supervision of highly qualified teachers

7.04.8 Employing certified counselors, licensed social workers and/or nurses.

7.04.9 Employing Curriculum Specialists:

The Curriculum Specialists shall meet current licensure requirements. Other job-related education and/or experience may be substituted for part of these basic requirements as determined by the local education agency.

7.04.10 Providing parent education.

7.04.11 Providing summer programs that employ research-based methods and strategies.

7.04.12 Providing early intervention programs:

Early intervention means short-term, intensive, focused, individualized instruction developed from ongoing, daily, systematic diagnosis that occurs while a child is in the initial, kindergarten through grade one (K-1), stages of learning early reading, writing, and mathematical strategies to ensure acquisition of the basic skills and to prevent the child from developing poor problem-solving habits which become difficult to change.

7.04.13 Obtaining materials, supplies, and equipment including technology used in approved instructional programs or for approved purposes. The approved programs and or purposes support the local educational agency's school improvement plan.

7.04.14 Other activities approved by the Department of Education

7.05 Funds shall be used for activities designed to increase student achievement.

7.06 Use of these funds shall be included within the school and/or district's Arkansas Comprehensive School Improvement Plan (ACSIP). The ACSIP will include how the funds will be spent, the person(s) responsible, a timeline, and budget.

7.07 NSLA funding shall be distributed quarterly.

7.08 NSLA funding may be carried over, but shall remain restricted to priority areas as defined in Section 7.04

7.09 NSLA funding is restricted state aid.
7.09.1 NSLA funding shall be spent on activities identified in
Section 7.04 of this Rule.

7.10 Districts shall account for NSLA funding and the expenditure of all
NSLA funds in compliance with the Department Financial
Accounting Handbook.
7.10.1 Failure to comply with the Department Financial Accounting
Handbook reporting of NSLA funding and expenditures shall
be reviewed under Ark. Code Ann. §6-20-2202.

8.00 Special Needs Funding-Professional Development Funding Aid

8.01 For the 2004-2005 fiscal year, the professional development
funding amount shall be fifty dollars (\$50) times the district's ADM
of the previous school year.

8.02 Charter Schools are eligible to receive Professional Development
funding.

8.03 Professional Development funding shall be expended for approved
programs and purposes identified in the Rules Governing the
Arkansas Comprehensive Testing, Assessment and Accountability
Program and the Academic Distress Program, section 5.0
"Professional Development".

8.04 NSLA funding shall be distributed quarterly.

8.05 Professional Development funding is restricted state aid.
8.05.1 Professional Development funding shall be spent on
activities identified in 8.03 or in compliance with Section 9.0
of this Rule.

8.06 Professional Development funding may be carried over, but shall
remain restricted to priority areas as defined in Section 8.03.

8.07 Districts shall account for Professional Development funding and
the expenditure of all Professional Development funds in
compliance with the Department Financial Accounting Handbook.
8.07.1 Failure to comply with the Department Financial Accounting
Handbook reporting of Professional Development funding
and expenditures shall be reviewed under Ark. Code Ann.
§6-20-2202.

9.00 Expenditure Exemption for Special Needs Funding for ALE, ELL,
NSLA, and Professional Development

- 9.01 The authority for this section is pursuant to Ark. Code Ann. §6-20-2005(e).
- 9.02 Special needs funding of ALE, ELL, NSLA, and professional development may be used for any of the expenditures identified in Sections 5.0, 6.0, 7.0, and 8.0 of this rule.
- 9.03 Districts shall account for all special needs funding and the expenditure of all special needs funds in compliance with the Department Financial Accounting Handbook.
 - 9.03.1 Failure to comply with the Department Financial Accounting Handbook reporting of ELL funding and expenditures shall be reviewed under Ark. Code Ann. §6-20-2202.
- 9.04 Districts shall report the funds received under each special needs funding category.
- 9.05 Districts shall report the expenditure of all special needs funds, including fund balances remaining on June 30 of each year.
- 9.06 The funds received and the expenditure reports shall balance.
- 9.07 If the Department determines that a district would lose any federal funding due to expenditure requirements, the special needs funds may be expended for other academic programs or salaries, as permitted by the Department.